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AMERICAN COMMERCIAL INTERESTS IN THE FAR EAST

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I purpose briefly to discuss the situation in the Far East with reference to the policy best adapted to further America's commercial interests in that industrial sphere, if indeed any such policy still remains to us.

Whether or not the war between Russia and Japan might have been prevented is now an academic question; the issue has been relegated to the arbitrament of physical strength and the two nations are in the throes of a mighty war. But it is believed by many authorities on international politics that concerted action on the part of England, America and Japan for the maintenance of the "open door" policy in the Far East would have prevented the present hostilities, had these three powers pledged themselves in unmistakable language to the enforcement of an international demand for this policy even to the extent of waging war. That this course would have been incompatible with American traditions I admit, but the history of the next few years is likely to demonstrate that it would merely have been anticipatory of a policy which will become imperative should we, and the other nations chiefly interested, not be able otherwise to protect our interests in the exploitation of the commerce and industry of the coveted markets of the myriad-peopled Orient.

I shall not, in this short review, attempt to deal with the moral aspects of the situation. It is not a question whether Russia was justified in pursuing a course which induced Japan to wage war, nor whether Japan's action was justifiable and altruistic. Nor do I propose to consider the subject from any sentimental point of view. Therefore, in the material considerations involved, it is not necessary to take cognizance on the one hand of the debt of grati-

tude which our nation undoubtedly owes to Russia for favors received, neither, on the other hand, need we be influenced by our admiration for the heroic qualities displayed by the Japanese on the battlefield, nor for the brilliant achievements of this remarkable people in the development of their nation's greatness.

If it had been possible to prevent Russia's territorial aggrandizement and her usurpation of a dominating political position in the vast regions involved, and in this way to have safeguarded America's commercial interests, I believe that our material ends would have been best subserved by an affiliation with Russia rather than with Japan. I admit, however, that the awakening of our national sympathy on behalf of Japan has under all the conditions been warranted, and, perhaps, inevitable.

Nor do I question the honest intentions of Japan in the professions she made at the beginning of the war, professions which were largely altruistic. Nevertheless I cannot but believe that national expansion will compel her to abrogate these promises as to the recession of an important portion of the territory she will have acquired should the war terminate in her favor as seems to be almost assured.

The strategic position which Japan will have obtained commercially by reason of the suzerainty, if not, indeed, the ownership, she will have established over Corea, and possibly Manchuria also, will render her our most formidable competitor in the Far East.

America's interests in this respect will undoubtedly run counter to those of Japan. Japan is the one nation, as I view it, which can compete with us for commercial supremacy in that part of the world. The contest will undoubtedly be a bitter one, not only because of our conflicting commercial interests, but it will be aggravated by those racial antipathies even now agitating our Pacific Coast States. In that section there is a strong movement to extend the principle of the Chinese Exclusion Act so as to include Japan also in its provisions. Retaliation will naturally follow on the part of Japan, who will have it in her power to obstruct our trade with the Orient for she will not show the same unprotesting submission as has China hitherto.

The influence of the sea power in the history now making—this is the real writing on the wall. If Japan secures a war indemnity from Russia, a large portion of this will be expended on in-

creasing her fleet. In any case, those victorious islanders who are cradled on the sea and have shown such a splendid capacity for naval warfare are certain to better secure themselves by a very powerful navy against any further Russian aggression.

Their naval preparedness will require that we also shall keep powerful squadrons on the Pacific. True, the completion of the Panama Canal will make our entire navy more mobile. Still, we are now vulnerable in the Pacific at Manila and Honolulu, and strong Pacific squadrons will be our policy of insurance as the outcome of the Japanese victories. And not only must we ourselves build fresh fleets, we must cultivate the closest relations possible with that other power which has also great Pacific possessions to protect,—from Tasmania and Sydney to Puget Sound; from Singapore and Hong Kong to Wei-hai-wei.

The war involves then that we, and Great Britain also, must maintain formidable naval forces, with strong Pacific bases, and that the most intimate relations must characterize the diplomacy of the two great English-speaking races.

The English admiral, Chichester, said at Manila to the admiral of another fleet, "Only Admiral Dewey knows what I should do in a certain contingency." That, perhaps, without any formal alliance must be the unbroken relationship between the American and British admiralities.

The present war will leave Russia in a crippled condition financially. She will be compelled to go to the money marts of the world, not only to supply the immediate wants of her government, but also for the capital for an industrial development upon which her national recovery must now depend. As a condition precedent to any considerable contribution by foreign capitalists, Russia will be compelled to carry out sweeping political reforms and also radical economic changes in her fiscal policy. Therefore, it is not unlikely that despite the costly war, her defeat may be to Russia a blessing in disguise.

Quite as indispensable as capital to Russia will be the securing of the assistance of foreign captains of industry; for, she is lacking in that middle class, through which the varied resources of other nations have been developed. In Russia there is no social stratum between noble and peasant, and neither of these has the capacity for an industrial development outside of agriculture.

Had it been possible for our capitalists and our captains of industry to have co-operated with Russia in the development of her possessions in Siberia and in other parts of her eastern empire, Russia would have afforded a very remunerative field of investment for American capital; it would have afforded employment to Americans to personally conduct the exploitation of these resources, and to our factories would have come the demand of the Orient for the machinery required for this great work.

Politically our aims and aspirations would have been certainly less open to suspicion and objection by Russia than those of any other nation. Had we been able to co-operate with Russia, we would not only, I believe, have secured a very important market in Russia's Oriental territory, but the initiative in the development of the resources of Manchuria, Corea and China would have been ours, together with much of the trade that would naturally follow our operations in those countries.